What is Claimed Is:

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1. A method in an OFDM direct conversion transceiver having a transmitter and a receiver, the method including:

selectively establishing a physical connection between an output terminal of the transmitter and an input terminal of the receiver;

outputting from the transmitter an OFDM signal generated based on a local oscillator signal;

generating a demodulated signal in the receiver by demodulating the OFDM signal, received by the receiver via the physical connection, using the local oscillator signal;

determining amplitude and phase imbalance parameters based on performing frequencydomain estimation of amplitude and phase imbalances in the demodulated signal; and

performing imbalance compensation on a received wireless OFDM signal based on the determined amplitude and phase imbalance parameters.

- 2. The method of claim 1, wherein the generating step includes outputting I and Q components of the demodulated signal, the determining step includes determining the amplitude and phase imbalances of the I and Q components.
- 3. The method of claim 2, wherein the performing step includes performing time domain-based I/Q compensation based on the determined amplitude and phase imbalance parameters.
- 4. The method of claim 1, wherein the selectively establishing step includes connecting the output terminal and the input terminal for a prescribed interval based on one of:

a power-up sequence for the OFDM direct conversion receiver;

detecting a wireless OFDM signal carrying a packet specifies a destination address distinct from a prescribed address of the OFDM direct conversion transceiver;

expiration of a prescribed time interval; and

- a detected idle state in the receiver.
- 5. The method of claim 1, wherein the outputting step includes sending the OFDM signal to the output terminal following amplification and mixing thereof using the local oscillator signal.
 - 6. An OFDM direct conversion transceiver including: a transmitter configured for generating a first OFDM signal based on a local oscillator signal;

a receiver having a mixer for demodulating a received OFDM signal to a demodulated OFDM signal based on the local oscillator signal, and a compensation module configured for performing imbalance compensation on the demodulated OFDM signal based on determined amplitude and phase imbalance parameters; and

a loopback switch configured for selectively supplying the first OFDM signal as the received OFDM signal to the receiver via a physical connection;

the receiver further including an imbalance estimator configured for frequency-based determination of the amplitude and phase imbalance parameters based on the first OFDM signal following demodulation thereof by the mixer.

- 7. The transceiver of claim 6, wherein the mixer is configured for outputting I and Q components of the demodulated OFDM signal, the imbalance estimator configured for determining the amplitude and phase imbalance based on the I and Q components of the first OFDM signal following demodulation thereof.
- 8. The receiver of claim 7, wherein the compensation module is configured for performing time domain-based I/Q compensation based on the determined amplitude and phase imbalance parameters.
- 9. The receiver of claim 6, further comprising switch logic configured for establishing the physical connection for a prescribed interval based on one of:
 - a power-up sequence for the OFDM direct conversion receiver;
- detecting a wireless OFDM signal carrying a packet specifies a destination address distinct from a prescribed address of the OFDM direct conversion transceiver;
 - expiration of a prescribed time interval; and
 - a detected idle state in the receiver.

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